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09/624,439	07/24/2000	Jonathan Ellenberg	3951-4001	5413

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Morgan & Finnegan LLP  
345 Park Avenue  
New York, NY 10154

EXAMINER

FELTEN, DANIEL S

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 03/19/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/624,439

Applicant(s)

ELLENBERG ET AL.

Examiner

Daniel S Felten

Art Unit

3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

**A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.**

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☐ Responsive to communication(s) filed on 24 July 2000.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-57 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-57 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date <u>2: 10/26/2000</u> | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

### *Claim Rejections - 35 USC § 101*

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

The claimed invention is directed to non-statutory subject matter. The applicant has presented claims 1-11 and 40-45 which do not have technical basis because there is not technology presented within the body of the claims (see Ex Parte Bowman, 61 USPQ2d 1665, 1671). It is incumbent upon the applicant to present claim language within the body of the claims that shows technical basis. For example, "receiving a bid of rewards from a customer **using a computer terminal** for merchandise being offered in the auction."

### *Claim Rejections - 35 USC § 102*

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

2. Claims 1, 5-10, 12, 16-20, 23, 27-31, 40, 42, 46, 45, 52 and 54 are rejected under 35 U.S.C. 102(e) as being anticipated by Postrel (US 6,594,640).

**Re claim 1:**

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Postrel discloses a method of conducting a customer affinity program auction, comprising:

receiving a bid of reward points from a customer for merchandise being offered in the auction (see Postrel, Abstract, col. 3, lines 44-46).

**Re claim 5:**

Postrel discloses authenticating the customer; and allowing the customer to access a reward points balance (see Postrel, col. 6, lines 1-11).

**Re claim 6:**

Postrel discloses allowing the customer to purchase additional reward points for use in the auction (see Postrel, col. 1, lines 23-26).

**Re claim 7:**

Postrel discloses that the customer is allowed to purchase a specific number of reward points at an exchange rate (see Postrel, Abstract, col. 6, lines 40-52).

**Re claim 8:**

Postrel disclose determining a cost for the reward points purchased and transmitting a request for payment for the cost of the reward points (see Postrel, col. 1, ll. 30-46).

**Re claim 9:**

allowing a purchase of reward points on a floating basis (see Postrel, col. 3, lines 30+).

**Re claim 10:**

Postrel discloses deducting reward points expended in the auction from a reward points balance (see Postrel, col. 6, lines 35-37).

**Re claim 12:**

Postrel discloses a central controller (20 or 10, 12, 14) constructed to receive a bid of reward points from a customer for merchandise being offered in the auction (see Postrel, col. 5, lines 17+).

**Re claim 16:**

Postrel discloses that the central controller is constructed to authenticate the customer and allow the customer to access a reward points balance (see Postrel, col. 6, lines 1-11).

**Re claim 17:**

Postrel in view of Copple discloses that the central controller is constructed to allow the customer to purchase additional reward points for use in the auction (see Postrel, col. 1, lines 23-26).

**Re claim 18:**

Postrel in view of Copple disclose that the central controller is constructed to allow the customer to purchase a specific number of reward points at an exchange rate (see Postrel, Abstract, col. 6, lines 40-52).

**Re claim 19:**

Postrel in view of Copple the central controller is constructed to determine a cost for the reward points purchased and transmits a request for payment for the cost of the reward points (see Postrel, col. 1, ll. 30-46).

**Re claim 20:**

the central controller is constructed to allow the customer to purchase reward points on a floating basis (see Postrel, col. 3, lines 30+).

**Re claim 23:**

Postrel discloses computer executable code stored on a computer readable medium for conducting a customer affinity program auction, comprising: a module to receive a bid of reward points from a customer for merchandise being offered in the auction (see Postrel col. 9, lines 55+).

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**Re claim 27:**

Postrel discloses a module to authenticate the customer; and a module to allow the customer to access a reward points balance (see Postrel, col. 6, lines 1-11).

**Re claim 28:**

Postrel and Copple disclose a module to allow the customer to purchase additional reward points for use in the auction (see Postrel, col. 1, lines 23-26).

**Re claim 29:**

Postrel in view of Copple disclose that the customer is allowed to purchase a specific number of reward points at an exchange rate (see Postrel, Abstract, col. 6, lines 40-52).

**Re claim 30:**

Postrel in view of Copple discloses a module to determine a cost for the reward points purchased and a module to transmit a request for payment for the cost of the reward points (see Postrel, col. 1, ll. 30-46).

**Re claim 31:**

allowing a purchase of reward points on a floating basis (see Postrel, col. 3, lines 30+).

**Re claim 40:**

Postrel discloses a method of conducting a customer affinity program auction comprising: receiving a bid in cash from a customer for merchandise being offered in the auction, wherein at least a portion of the bid is paid for by reward points converted to a cash value (see Postrel, col. 6, lines 1-11).

**Re claim 42:**

the customer registration information includes payment information (see Postrel, col. 4, lines 34-43).

**Re claim 46:**

a central controller constructed to receive a bid in cash from a customer for merchandise being offered in the auction, wherein at least a portion of the bid is paid for by reward points converted to a cash value (see Postrel col. 6, lines 32-52).

**Re claim 44:**

authenticating the customer; and allowing the customer to access a reward points balance (see Postrel, col. 6, lines 1-11).



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**Re claim 45:**

wherein the reward points are converted to a cash value using an exchange rate (see Postrel, col. 6, lines 1-11).

**Re claim 52:**

Computer executable code stored on a computer readable medium for conducting a customer affinity program auction, comprising: a module to receive a bid in cash from a customer for merchandise being offered in the auction, wherein at least a portion of the bid is paid for by reward points converted to a cash value (see Postrel col. 6, lines 32-52; and col. 9, lines 55+).

**Re claim 54:**

the customer registration information includes payment information (see Postrel, col. 4, lines 34-43).

***Claim Rejections - 35 USC § 103***

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 2-4, 11, 13-15, 21, 22, 24-26, 32, 33, 41, 43, 47-49, 53 and 55-57 are rejected under 35 U.S.C. 103(a) as being unpatentable over Postrel B1 (US 6,594,640) in view of Copple et al B1 (US 6,178,408). The teachings of Postrel have been discussed above.

**Re claim 2:**

Postrel fails to disclose receiving registration information from the customer. This feature is disclosed by Copple (see Copple, fig. 1, col. 4, lines 35-52). Since Postrel does require that customers log-on to the system to access the user accounts, it would have been obvious for an artisan at the time of the invention of Postrel to modify the invention with the registration feature taught by Copple so as to allow customers to register with the system and to conveniently identify keep track customers and their reward points. Thus such a modification would have been an obvious expedient well within the ordinary skill of the art.

**Re claim 3:**

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Postrel in view of Copple discloses wherein the customer registration information includes payment information (see Postrel, col. 4, lines 34-43).

**Re claim 4:**

Postrel fails to disclose providing a preview of the merchandise being offered in the auction. A preview of the merchandise is disclosed by Copple (see Copple, fig. 1, col. 4, lines 63-65). It would have been obvious for an artisan of ordinary skill in the art to modify Postrel to integrate a preview of the merchandise being offered in the auction as disclosed by Copple because an artisan would have been motivated to conveniently provide the customer with information about the item and therefore increase the incentive to buy the item. Thus such a modification would increase usage of the invention and thus provide an obvious expedient well within the ordinary skill in the art.

**Re claim 11:**

Postrel in view of Copple discloses determining a cost for purchasing reward points expended in the auction in excess of the customer's reward points balance and transmitting a request for payment for the cost of the reward points (see Postrel, col. 4, lines 30-43).

**Re claim 13:**

the central controller is constructed to receive registration information from the customer (see explanation for claim 2).

**Re claim 14:**

Postrel in view of Copple discloses that the customer registration information received by the central controller includes payment information (see Postrel, col. 4, lines 34-43).

**Re claim 15:**

Postrel in view of Copple the central controller is constructed to provide a preview of the merchandise being offered in the auction (see explanation of claim 4).

**Re claim 21:**

Postrel in view of Copple disclose that the central controller is constructed to deduct reward points expended in the auction from a reward points balance (see Postrel, col. 6, lines 35-37).

**Re claim 22:**

Postrel and Copple discloses that the central controller is constructed to determining a cost for purchasing reward points expended in the auction in excess of the customer's reward points balance and transmitting a request for payment for the cost of the reward points (see Postrel, col. 4, lines 30-43).

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**Re claim 24:**

a module to receive registration information from the customer (see explanation for claim 2).

**Re claim 25:**

Postrel in view of Copple discloses that the customer registration information includes payment information (see Postrel, col. 4, lines 34-43).

**Re claim 26:**

Postrel in view of Copple a module to provide a preview of merchandise being offered in the auction (see explanation of claim 4).

**Re claim 32:**

Postrel in view of Copple a module to deduct reward points expended in the auction from a reward points balance (see Postrel, col. 6, lines 35-37).

**Re claim 33:**

Postrel and Copple discloses a module to determine a cost for purchasing reward points expended in the auction in excess of the customer's reward points balance and a module to transmit a request for payment for the cost of the reward points (see Postrel, col. 4, lines 30-43).

**Re claim 41:**

receiving registration information from the customer (see explanation for claim 2).

**Re claim 43:**

providing a preview of the merchandise being offered in the auction (see explanation for claim 4).

**Re claim 47:**

the central controller is constructed to receive registration information from the customer (see explanation for claim 2).

**Re claim 48:**

the customer registration information includes payment information (see Postrel, col. 4, lines 34-43).

**Re claim 49:**

the central controller is constructed to provide a preview of the merchandise being offered in the auction (see explanation of claim 4).

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**Re claim 53:**

a module to receive registration information from the customer (see explanation for claim 2).

**Re claim 55:**

a module to provide a preview of the merchandise being offered in the auction (see explanation of claim 4).

**Re claim 56:**

a module to authenticate the customer; and a module to allow the customer to access a reward points balance (see Postrel, col. 6, lines 35-37).

**Re claim 57:**

the module converts reward points to a cash value using an exchange rate (see Postrel col. 6, lines 32-52; and col. 9, lines 55+).

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3. Claims 34-39 are rejected under 35 U.S.C. 103(a) as being unpatentable over Bezos et al (US 6,606,608) in view of Postrel (US 6,594,640).

**Re claim 34:**

Bezos discloses a method of conducting a customer affinity program auction comprising: determining a minimum opening bid price by applying an auction pricing discount factor based on the merchandise being auctioned and the time period of the auction. (see Bezos, figs. 3 and 4, Abstract, col. 2, line 64 to col. 3, line 23; and col. 5, line 43+).

Bezos fails to disclose that the discount factor is in reward points. Postrel discloses a discount factor(discount rate) that is based in reward points (see Postrel, col. 9, line 45 to col. 10, line11). It would have been obvious for an artisan of ordinary skill in the art at the time of the invention to substitute the reward points disclosed in Postrel for cash bids disclosed in Bezos, because an artisan at the time of the invention would have found the reward points as a "cash equivalent" (see Postrel, col. 5, lines 37+; and col. 6, lines 37-52) or of negotiable worth in the purchase or various goods and services via the Bezos auction. Thus the reward points and cash in this case would be considered art recognized equivalents having no patentable difference to one of ordinary skill in the art.



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**Re claim 35:**

determining a bid increment (see Bezos, col 5, lines 17+).

**Re claim 36:**

A customer affinity program auction system comprising: a central controller constructed to determining a minimum opening bid price by applying an auction pricing discount factor in reward points based on the merchandise being auctioned and the time period of the auction (see explanation of claim 34).

**Re claim 37:**

the central controller is constructed to determine a bid increment (see Bezos, col 5, lines 17+).

**Re claim 38:**

Computer executable code stored on a computer readable medium for conducting a customer affinity program auction, comprising: a module to determine a minimum opening bid price by applying an auction pricing discount factor in reward points based on the merchandise being auctioned and the time period of the auction (see explanation of claim 34).

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**Re claim 39:**

a module to determine a bid increment (see Bezos, col 5, lines 17+).

***Conclusion***

4. A list of relevant prior art appears below not relied upon in this Office Action:

US Patents:

Barzilai et al (US 6,012,045) discloses computer based electronic bid auction and sale system

5. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Daniel S Felten whose telephone number is (703) 305-0724. The examiner can normally be reached on Flex.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



DSF  
March 11, 2004

Daniel S Felten  
Examiner  
Art Unit 3624